

## §§ 1726.126–1726.149

\$5,000,000 or more and for any generating project construction contract requiring RUS approval.

(3) The borrower may, in its discretion, use other contract forms or written purchase order forms for those contracts in amounts of less than \$5,000,000 and that do not require RUS approval.

(b) *Procurement procedures.* (1) It is the responsibility of each borrower to determine the procurement method that best meets its needs to award contracts in amounts of less than \$5,000,000 each.

(2) If the amount of the contract is \$5,000,000 or more or if the contract requires RUS approval, the borrower must use formal or informal competitive bidding to award the contract.

(3) Where formal or informal competitive bidding is not applicable, or does not result in a responsive bid, multiparty negotiation may be used only after RUS approval is obtained.

(c) *Contract approval.* During the early stages of generating plant design or project design, RUS will, in consultation with the borrower and its consulting engineer, identify the specific contracts which require RUS approval based on information supplied in the plant design manual. The following are typical contracts for each type of generating project which will require RUS approval. Although engineering services are not covered by this part, they are listed in this paragraph (d) to emphasize that RUS approval is required for all major generating station engineering service contracts in accordance with applicable RUS rules. For types of projects not shown, such as nuclear and alternate energy projects, RUS will identify the specific contracts which will require RUS approval on a case by case basis.

(1) *Fossil generating stations.* Engineering services, steam generator, turbine generator, flue gas desulfurization system, particulate removal system, electric wiring and control systems, mechanical equipment installation (including turbine installation and plant piping), power plant building (foundation and superstructure), site preparation, coal unloading and handling facilities, main step-up substation, cooling towers, and dams or reservoirs.

(2) *Diesel and combustion turbine plants.* Engineering services, prime mover and generator, building (foundation and superstructure), and electrical control systems.

(3) *Hydro installations.* Engineering services, turbine/generator, civil works and powerhouse construction, electrical control system, and mechanical installation.

[60 FR 10155, Feb. 23, 1995, as amended at 69 FR 7109, Feb. 13, 2004; 77 FR 3072, Jan. 23, 2012]

## §§ 1726.126–1726.149 [Reserved]

### Subpart E—Buildings

#### § 1726.150 Headquarters buildings.

This section includes headquarters buildings such as warehouses and equipment service type buildings. Generating plant buildings are covered under subpart D of this part.

(a) *Contract forms.* The borrower must use RUS Form 257, Contract to Construct Buildings, for all contracts for construction of new headquarters facilities, and additions to, or modifications of existing headquarters facilities (except for minor modifications or improvements).

(b) *Procurement procedures.* A borrower may use Multiparty Lump Sum Quotations to award contracts in amounts of up to a cumulative total of \$750,000 or one percent of NUP (not to exceed \$5,000,000), whichever is greater, per calendar year of headquarters construction (including minor modifications or improvements). The borrower shall use formal competitive bidding for all other headquarters contract construction.

(c) *Contract approval.* Contracts for headquarters construction are not subject to RUS approval and need not be submitted to RUS unless specifically requested by RUS on a case by case basis.

[60 FR 10155, Feb. 23, 1995, as amended at 77 FR 3072, Jan. 23, 2012]